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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
February 1959

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Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator U. S. DEPARTMENT OF AGRICULTURE

MARKET SUMMARY FEBRUARY 1959

The Order MINIMUM uniform price payable to producers for milk delivered during February to pool plants located less than 65 miles from City Hall, Chattanooga, Tennessee and distributing milk in Hamilton, Bradley, and McMinn Counties Tennessee is \$4.79 per cwt. f.o.b. plants for milk testing 4.0% butterfat. The butterfat differential is 7.2¢ for each one tenth of one percent above or below 4.0 percent.

During February 82.1 percent of total producer milk was priced in Class I at \$5.18 per cwt. with a handler butterfat differential of 7.5¢ and 17.9 percent was priced in Class II at \$3.21 per cwt. with a butterfat differential of 6.6¢. (See page 3) The percent of producer skim and butterfat priced in Class I was 82.7% and 68.6% respectively.

The daily average deliveries of producer milk during February decreased 2.5% compared with January and increased 4.1% compared with February 1958. The daily average use of Class I milk decreased 5.8% compared with January and increased 1.0% compared with February 1958.

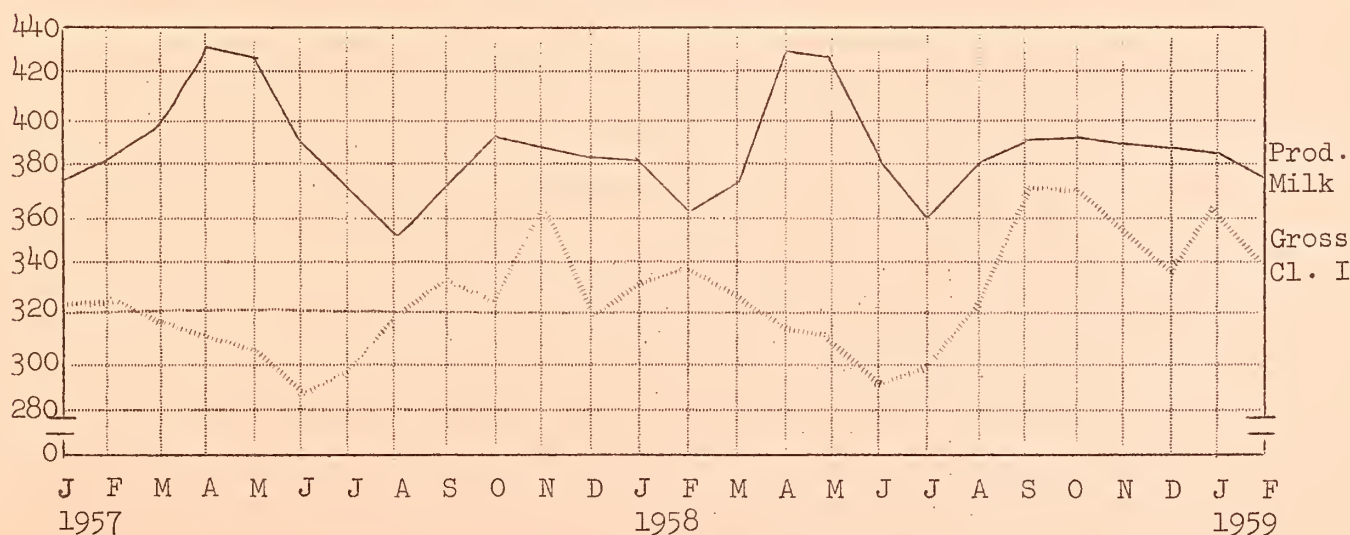
The total 1959 daily average announced Bases was 391,821 lbs.. This was an increase of 1.27% over the 1958 total and an increase of 8.53% over 1957 total announced bases.

ACTIVITIES OF CHECK TESTERS February 1959: Plant Scales checked 6; Plant calls 120 Samples tested - Composite 1,831, Fresh 5,008, Finished Products 226.

NUMBER OF FARM PAYROLL ACCOUNTS

	1958											1959	
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Can	641	626	614	600	586	553	516	490	474	449	433	427	414
Tank	161	173	184	191	201	229	265	289	303	319	331	334	341
TOTAL	802	799	798	791	787	782	781	779	777	768	764	761	755
New	0	1	3	0	0	2	18	23	6	2	3	4	0
Quit	2	4	4	7	4	7	19	25	8	11	7	7	6

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CLASS I UTILIZATION
(1000 pounds per day)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	Feb. '59	Jan. '59	Feb. '58
Number of Plants (Pool and Non-Pool)	20	20	22
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	164,279	182,771	254,272
Producer Milk - Bulk Tank	214,166	205,287	109,203
Total Producer Milk Pounds	378,445	388,058	363,475
% February '59 compared with:	100.0	97.5	104.1
Other Source Milk Pounds	11,126	12,529	7,448
Other Order Milk Pounds	26,315	22,850	14,784
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>415,886</u>	<u>423,437</u>	<u>385,707</u>
% February '59 compared with:	100.0	98.2	107.8
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	286,048	288,176	268,986
Buttermilk	37,343	38,230	37,884
Chocolate Milk	6,361	6,430	5,903
Fluid Skim	7,435	7,267	6,224
Fluid Creams	2,144	2,129	1,935
Bulk to Non-Handlers	1,402	18,957	16,359
Class I Shrinkage	2,153	1,924	1,482
Inventory Reclass.	(1,771)	(931)	(941)
Overstated Sales	-	-	-
Total Class I Milk	341,115	362,182	337,832
% February '59 compared with:	100.0	94.2	101.0
Class II Milk Pounds (Used to Produce)			
Butter	3,272	4,191	4,735
Cottage Cheese	13,208	10,655	9,518
Powdered and Condensed Milk	24,966	23,946	11,900
Ice Cream	21,980	16,800	11,762
Inventory Variation	609	(3,889)	1,866
Other	10,736	9,552	8,094
Total Class II Milk	74,771	61,255	47,875
% February '59 compared with:	100.0	122.1	156.2
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>415,886</u>	<u>423,437</u>	<u>385,707</u>
% Producer Milk of Gross Class I	110.9	107.1	107.6
% Producer Skim of Gross Class I Skim	110.1	106.2	106.7
% Producer Butterfat of Gross Class I Butterfat	132.8	130.9	131.0
% Producer Milk Priced in Class I	82.1	86.2	87.8

MARCH 1959 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Mar. '59	Feb. '59	Mar. '58
Basic Formula (See page 4)	\$3.42	\$3.43	\$3.53
Plus (\$1000.51(a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	.04	0.00	.04
Class I Price, 4.0% Butterfat	\$5.21	\$5.18	\$5.32

Per \$ 1000.51(a)

Supply-Demand Comparison: 1st and 2nd preceding months: January and February	
Supply: Lbs. Producer Milk (Jan. 12,029,800 and Feb. 10,596,461)	22,626,261
Demand: Lbs. Net Class I Milk (Jan. 10,644,194 and Feb. 9,009,984)	19,654,178
Utilization Percentage: Producer milk divided by Class I	115
Standard Utilization Percentage: Range 117 - 121	117
Net Deviation Percentage: Standard Utilization minus Utilization	minus 2
Supply-Demand Adjustment: 2 cents x 2 percentage points	plus \$0.04

Since the supply in relation to the demand is less than the desired standard, the price is increased 4 cents per hundredweight (2 cents x 2 percentage points).

ANNOUNCED 1959 PRODUCER BASES

The average daily bases that producers established during the months of September, 1958 through January, 1959 were announced by the Market Administrator on March 1, 1959. If any producer who established a base did not receive a base notice, he should contact the office of the Market Administrator. During the months of March through July, 1959, all Chattanooga area producers will receive settlement for their milk at a Base price and an Excess price. The milk delivered by each producer above his monthly base will be paid for at the excess price.

PRODUCER ANNOUNCED BASES - THREE YEARS COMPARISON

Base Range Pounds	1959 Number of Producers	1958 Number of Producers	1957 Number of Producers	Base Range Pounds	1959 Number of Producers	1958 Number of Producers	1957 Number of Producers
0- 99	22	24	28	700- 799	57	55	34
100-199	68	85	105	800- 899	27	31	26
200-299	138	147	165	900- 999	28	18	15
300-399	118	143	129	1000-1499	46	38	32
400-499	102	116	106	1500-1999	10	9	8
500-599	84	85	77	Over-2000	8	6	5
600-699	50	44	66	Total Prod.	758	801	796

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR FEBRUARY 1959

Based on 20 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		9,551,230	3.608		
Less Other Source		848,091	3.629		
Producer Milk Class I	82.1	8,703,139	3.605837	\$4.884378	\$425,094.21
Gross Class II		2,093,576	6.882		
Less Other Source		200,254	0.186		
Producer Milk Class II	17.9	1,893,322	7.590257	5.579570	105,639.23
TOTAL PROD. (Cl. I + Cl. II)	100.0	10,596,461	4.317753		530,733.44
Less Fractional Adjustment					.06
Add Compensatory Payment Value		111,282		0.39	434.00
Add Overage Value					-
Add Inventory Reclass. Value					343.83
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,009.39
TOTAL VALUE AT TEST		10,596,461	4.317753		536,520.60
Less Test Over 4% @ 7.2¢ per point		10,596,461	.317753	0.228782	24,242.80
TOTAL VALUE AT 4.0%		10,596,461	4.0	4.834423	512,277.80
Less Producer-Settlement Fund Reserve		10,596,461		.044423	4,707.27
UNIFORM PRICE f.o.b. POOL PLANT		10,596,461	4.0	4.79	507,570.53

FEBRUARY 1959 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$4.07	3.6	\$4.502	4.2	\$4.934	4.8	\$5.366	5.4	\$5.798
3.05	4.106	3.65	4.538	4.25	4.97	4.85	5.402	5.45	5.834
3.1	4.142	3.7	4.574	4.3	5.006	4.9	5.438	5.5	5.87
3.15	4.178	3.75	4.61	4.35	5.042	4.95	5.474	5.55	5.906
3.2	4.214	3.8	4.646	4.4	5.078	5.0	5.51	5.6	5.942
3.25	4.25	3.85	4.682	4.45	5.114	5.05	5.546	5.65	5.978
3.3	4.286	3.9	4.718	4.5	5.15	5.1	5.582	5.7	6.014
3.35	4.322	3.95	4.754	4.55	5.186	5.15	5.618	5.75	6.05
3.4	4.358	4.0	4.79	4.6	5.222	5.2	5.654	5.8	6.086
3.45	4.394	4.05	4.826	4.65	5.258	5.25	5.69	5.85	6.122
3.5	4.43	4.1	4.862	4.7	5.294	5.3	5.726	5.9	6.158
3.55	4.466	4.15	4.898	4.75	5.33	5.35	5.762	5.95	6.194

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Feb.'58	\$5.02 1/	-	-	7.1¢	\$5.31 1/	7.7¢	\$3.16	6.8¢
Mar.	4.90 2/	\$5.02 1/	\$3.06	7.4	5.32	7.7	3.10	6.8
Apr.	4.57 2/	4.83 1/	2.98	7.2	5.37	7.7	3.02	6.6
May	4.35 2/	4.58 1/	2.94	7.2	5.08 1/	7.5	2.98	6.6
June	4.33 2/	4.48 1/	2.95	7.2	4.96 1/	7.5	2.99	6.6
July	4.48 2/	4.62 1/	3.01	7.2	4.95 1/	7.5	3.05	6.6
Aug.	4.59 1/	-	-	7.2	5.06 1/	7.5	3.10	6.7
Sept.	4.77 1/	-	-	7.4	4.96 1/	7.6	3.45	6.9
Oct.	4.86 1/	-	-	7.6	5.14 1/	7.8	3.36	6.7
Nov.	4.88 1/	-	-	7.4	5.23 1/	7.6	3.35	6.7
Dec.	4.80 1/	-	-	7.2	5.17 1/	7.5	3.46	6.9
Jan.'59	4.88 1/	-	-	7.4	5.21 1/	7.8	3.33	6.6
Feb.	4.79 1/	-	-	7.2	5.18 1/	7.5	3.21	6.6
Mar.	-	-	-	-	5.21 1/	7.5	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS				Highest or Basic Formula
	Mid-West	Chi.92°	Chi.Area	Wisc.	(\$-cwt-4%)				
	Cond.	Butter	Powders	Cheese	Mid-West	Butter	Butter 4	Tenn.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.	Cond.	Cheese	Powder	Milk Mfg.	\$-cwt-4%
Feb.'58	3.110	59.375	14.460	33.250	3.47	3.24	3.53	3.16	3.53
Mar.	3.082	59.308	14.360	32.812	3.45	3.23	3.52	3.10	3.52
Apr.	2.956	57.750	13.405	31.057	3.32	3.13	3.37	3.02	3.37
May	2.896	57.661	12.525	31.727	3.26	3.14	3.33	2.98	3.33
June	2.890	57.750	12.425	31.750	3.25	3.14	3.30	2.99	3.30
July	2.921	57.750	12.545	31.750	3.28	3.14	3.33	3.05	3.33
Aug.	2.960	58.137	12.640	31.770	3.32	3.16	3.35	3.10	3.35
Sept.	2.995	60.250	12.635	32.062	3.37	3.26	3.45	3.11	3.45
Oct.	3.040	58.364	12.685	32.700	3.42	3.18	3.36	3.14	3.42
Nov.	3.054	58.016	12.780	32.094	3.42	3.16	3.35	3.18	3.42
Dec.	3.071	60.330	12.705	31.688	3.43	3.25	3.46	3.21	3.46
Jan.'59	3.062	57.744	12.680	31.750	3.43	3.14	3.33	3.21	3.43
Feb.	3.060	57.743	12.695	31.750	3.42	3.14	3.33	3.21	3.42

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK 3/					Number		Deliveries Per			Prod.	
	Gross	Prod.	Prod.	Base	Gross	of		Farm -- Pounds			Milk	
	Cl. I	Cl. I	Repts.	Repts.	Repts.	Hdlr.	Prod.	Prod.	Base	Exc.	Test	%
Feb. '58	337,832	319,309	363,475	-	385,707	22	802	453	-	-	4.47	
Mar.	329,719	310,776	376,313	353,279	400,141	23	799	471	442	29	4.30	
Apr.	315,814	292,133	431,190	371,749	458,987	23	798	540	466	74	4.22	
May	311,391	287,275	429,256	369,197	458,164	21	791	543	467	76	4.22	
June	288,811	265,772	382,696	344,531	411,822	21	787	486	438	48	4.11	
July	299,494	276,327	359,507	328,120	389,291	21	782	460	420	40	4.16	
Aug.	323,673	297,905	383,592	-	414,637	21	781	491	-	-	4.11	
Sept.	374,368	347,589	392,411	-	426,999	21	779	504	-	-	4.17	
Oct.	372,297	346,532	395,318	-	427,085	20	777	509	-	-	4.35	
Nov.	356,251	328,796	392,826	-	426,727	20	768	511	-	-	4.43	
Dec.	337,190	310,664	389,420	-	424,448	20	764	510	-	-	4.51	
Jan. '59	362,182	334,475	388,058	-	423,437	20	761	510	-	-	4.46	
Feb.	341,115	310,826	378,445	-	415,886	20	755	501	-	-	4.32	

1/ Excludes Premium

2/ For statistics only

3/ Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base